

**COWLITZ COUNTY, WASHINGTON**  
**January 1, 1995 Through December 31, 1995**

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**Schedule Of Findings**

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1. County Officials Should Improve The Internal Control Procedures Over The Receipting System Of The Clerk Of The Superior Court

Our review of the clerk's cash receipting system disclosed the following weaknesses:

- a. Cash receipting functions continue to be shared by at least eight staff members.
- b. Two of the cashiers have access to all computer screens related to the cash receipting system and can receipt, record, and reconcile daily receipts.
- c. The cash register is located in an unsecured area, can be readily opened even when locked, and in one instance was observed open and unattended.

Segregating cashiering functions so that no one individual performs incompatible duties and consolidating cash receipting duties with a full-time cashier with a back-up have been the subject of audit recommendations in the clerk's office for the last three years.

With regard to segregating cashiering duties from other incompatible duties, the *AICPA Professional Standards* at AU 319.11 states in part:

Control procedures are those policies and procedures . . . that management has established to provide reasonable assurance that specific entity objectives will be achieved . . . Generally, they may be categorized as procedures that pertain to . . .

Segregation of duties that reduces the opportunities to allow any person to be in a position to both perpetrate and conceal errors or irregularities in the normal course of his duties -- assigning different people the responsibilities of authorizing transactions, recording transactions, and maintaining custody of assets.

Failure to adequately segregate cashiering duties and assign cash receipting responsibility to a specific individual increases the possibility of errors or irregularities occurring without timely detection. In addition, this increased risk increases audit time and attendant costs.

These problems persist because management believes they cannot be corrected without increasing the present staff.

We recommend that the clerk of the Superior Court assign and limit the duties of a cashier to a specific individual and a back-up. We also recommend that the clerk segregate cash reconciliation duties from cash receipting duties for all employees. We further recommend that the clerk secure an area of the office for the cash register and require that it not be left unattended.